

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**RECEIVED**

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

APR 19 2004  
AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

W-01646A  
Miracle Valley Water Company, Inc.  
P.O. Box 2903  
Sierra Vista AZ 856360000

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2003
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FOR COMMISSION USE

Ann04	03
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## COMPANY INFORMATION

Company Name (Business Name) <u>MIRACLE VALLEY WATERWORKS</u>			
Mailing Address <u>PO Box 2903</u>			
<u>Simi Valley</u>		<u>CA</u>	<u>91362-2903</u>
(City)		(State)	(Zip)
<u>(520) 378 3349</u>	<u>(520) 378 6549</u>	<u>(520) 220 515</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>www.mvair.com</u>			
Local Office Mailing Address <u>SAA</u>			
(City)		(State)	(Zip)
<u>SAA</u>	<u>SAA</u>	<u>SAA</u>	
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>SAA</u>			

## MANAGEMENT INFORMATION

Management Contact: <u>Johnny A McLAIR</u>			
<u>SAA</u>		<u>owner</u>	
(Street)		(City)	(State) (Zip)
<u>SAA</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>SAA</u>			
On Site Manager: <u>JOHNNY A McLAIR</u>			
<u>SAA</u>			
(Street)		(City)	(State) (Zip)
<u>SAA</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>SAA</u>			

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: JOHNNY A McHAIN  
 (Name)  
7110 So SAXEL RD. Hereford AZ 85615  
 (Street) (City) (State) (Zip)  
(520) 378 3349 (520) 378 6549 (520) 220 0615  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)  
 Attorney: \_\_\_\_\_  
 (Name)  
 \_\_\_\_\_  
 (Street) (City) (State) (Zip)  
 \_\_\_\_\_  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |                                                 |                                                                           |
|-------------------------------------------------|---------------------------------------------------------------------------|
| <input type="checkbox"/> Sole Proprietor (S)    | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input checked="" type="checkbox"/> Subchapter S Corporation (Z)          |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co op (A)                            |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                        |
| <input type="checkbox"/> Other (Describe) _____ |                                                                           |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |                                             |                                   |
|-------------------------------------|---------------------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE     | <input checked="" type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM             | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA           | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO     | <input type="checkbox"/> PIMA               | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI            | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE  |                                             |                                   |

COMPANY NAME

MIRACLE VALLEY Water Co

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	7500	0	0
302	Franchises	4000	0	0
303	Land and Land Rights	5000	5000	0
304	Structures and Improvements	7750	0%	0
307	Wells and Springs	20998	0%	0
311	Pumping Equipment	30572	5%	9577
320	Water Treatment Equipment	0	0	0
330	Distribution Reservoirs and Standpipes	33528	5%	1676
331	Transmission and Distribution Mains	174609		6230
333	Services	39450		1973
334	Meters and Meter Installations	37210		1861
335	Hydrants	0		0
336	Backflow Prevention Devices	0		0
339	Other Plant and Misc. Equipment	1790	0%	0
340	Office Furniture and Equipment	0	0	0
341	Transportation Equipment	7375		369
343	Tools, Shop and Garage Equipment	1936		97
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	300		15
346	Communication Equipment	2049		102
347	Miscellaneous Equipment	1050		53
348	Other Tangible Plant	775	0%	40
	<b>TOTALS</b>	<b>225462</b>		<b>27993</b>

This amount goes on Comparative Statement of Income and Expense \_\_\_\_\_  
Acct. No. 403.

COMPANY NAME

MIRACLE VALLEY WATER CO

**BALANCE SHEET**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 75	\$ 130
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	2237	2115
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	0	0
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	0	0
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 2312	\$ 2245
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 301737	\$ 325412
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation - Utility Plant	(184835)	(216639)
121 →	Non-Utility Property (1)	0	0
122	Accumulated Depreciation - Non Utility	0	0
	<b>TOTAL FIXED ASSETS</b>	\$ 116902	\$ 108773
	<b>TOTAL ASSETS</b>	\$ 116902	\$ 108773

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME MIRACLE VALLEY WATER CO INC

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 46728	\$ 41319
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	0	0
	<b>TOTAL REVENUES</b>	\$ 46728	\$ 41319
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 52052 (630)	\$ 480 (52630)
610	Purchased Water	0	0
615	Purchased Power	9905	9975
618	Chemicals	300	376
620	Repairs and Maintenance (112,100) other 1475	8750	8475
621	Office Supplies and Expense	See (630)	See (630)
630	Outside Services	25,000	31300
635	Water Testing	1207	1310
641	Rents	See (630)	See (630)
650	Transportation Expenses *	2400	See (430)
657	Insurance - General Liability	3930	6000
659	Insurance - Health and Life	1544	1544
666	Regulatory Commission Expense - Rate Case	0	1430
675	Miscellaneous Expense	See (630)	See (630)
403	Depreciation Expense	12942	21993
408	Taxes Other Than Income	0	0
408.11	Property Taxes	2210	2210
409	Income Tax	0	0
	<b>TOTAL OPERATING EXPENSES</b>	\$ 68708	\$ 84613
	<b>OPERATING INCOME/(LOSS)</b>	\$ (21980)	\$ (43294)
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 0	\$ 0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility Expenses	0	0
427	Interest Expense	0	0
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ 0	\$ 0
	<b>NET INCOME/(LOSS)</b>	\$ (21980)	\$ (43294)

COMPANY NAME MIRACLE VALLEY WATER CO INC

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55						
430015	410	300	450	10"	3"	58
	5	100	150	6"	2"	90

- Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
COCHISE WATER	100	<del>0</del>

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
NA		NA	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
15,000 (CWC)	1	7000	1
		5000	1 (CWC)

COMPANY NAME MIRACLE VALLEY WATER CO INC

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	25020
3		
4	PVC/AC	21510
5		
6	PVC/AC	2560
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	137
3/4	101
1	
1 1/2	
2	2
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

NA

STRUCTURES:

NA

OTHER:

TWO WELLS AND PUMPING  
TWO PSI TANKS AND ONE STORAGE TANK

COMPANY NAME: MIRACLE VALLEY WATER CO INC

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	182	1,065,070	1065
FEBRUARY	183	1,426,920	1427
MARCH	183	549,580	549
APRIL	161	1,765,170	1765
MAY	212	2,589,550	2589
JUNE	215	2,462,950	2462
JULY	217	2,776,870	2776
AUGUST	214	2,413,230	2413
SEPTEMBER	218	2,928,000	2928
OCTOBER	217	2,194,250	2194
NOVEMBER	220	2,285,650	2285
DECEMBER		2,477,590	2477
TOTAL		N/A	25402

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes

(X) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes

(X) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. 0.0022 mg/l

(If more than one well, please list each separately)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME MIRACLE VALLEY WATER CO YEAR ENDING 12/31/2003

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2003 was: \$ \_\_\_\_\_

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

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COMPANY NAME MIRACLE VALLEY WATER CO INC YEAR ENDING 12/31/2003

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported 0  
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 0  
Estimated or Actual State Tax Liability 0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 0  
Amount of Gross-Up Tax Collected 0  
Total Grossed-Up Contributions/Advances 0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

John A McLean  
SIGNATURE

12-31-03  
DATE

JOHN A McLEAN  
PRINTED NAME

1/2 owner  
TITLE

VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only

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APR 19 2004

VERIFICATION

STATE OF 12

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>COCHISE</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>JOHNNY A MELAIN</u>
COMPANY NAME	<u>MIRACLE VALLEY water Co</u>

2 CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 41319

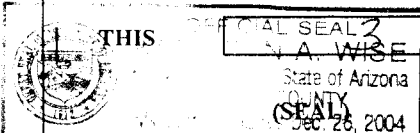
(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 2375  
IN SALES TAXES BILLED, OR COLLECTED

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

JOHNNY A MELAIN  
SIGNATURE OF OWNER OR OFFICIAL  
(520) 378 3349  
TELEPHONE NUMBER



MY COMMISSION EXPIRES

12-26-2004

COUNTY NAME	<u>Cochise</u>
MONTH	<u>March</u>
YEAR	<u>2004</u>

Sharon L. Wise  
SIGNATURE OF NOTARY PUBLIC

VERIFICATION  
AND  
SWORN STATEMENT  
**RESIDENTIAL REVENUE**  
INTRASTATE REVENUES ONLY

**RECEIVED**

APR 19 2004

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

(COUNTY NAME) <u>COCHISE</u>	
NAME (OWNER OR OFFICIAL) <u>JOHNNY A MCNAUL</u>	TITLE <u>OWNER</u>
COMPANY NAME <u>MIRACLE VALLEY WATER CO INC</u>	

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>41,319.11</u>

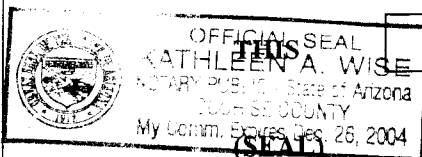
(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 3,375.00  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

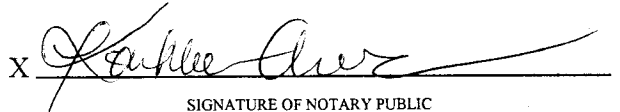
A NOTARY PUBLIC IN AND FOR THE COUNTY OF



NOTARY PUBLIC NAME <u>Kathleen A. Wise</u>	
COUNTY NAME <u>Cochise</u>	
MONTH <u>March</u>	YEAR <u>2004</u>

MY COMMISSION EXPIRES

12-26-2004

  
SIGNATURE OF NOTARY PUBLIC